

Andrea Gyger

From: Mary Magnuson [REDACTED]
Sent: Monday, January 14, 2013 7:20 PM
To: SoS Rulemaking
Subject: comments to proposed rules
Attachments: NAFTM- Colorado rule comments 1-15-13.docx

Attached please find a few comments to the proposed rules to be considered at the hearing scheduled for January 15, 2013. Please contact me if you have any questions or if you would like additional information. Thanks for the opportunity to review the rules and provide comments.

NATIONAL ASSOCIATION OF FUNDRAISING TICKET MANUFACTURERS

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January 14, 2013

Colorado Secretary of State
1700 Broadway
Suite 200
Denver, CO 80290

RE: Proposed Rulemaking Concerning Bingo and Raffle Games

Dear Secretary of State Gessler:

I am writing on behalf of the National Association of Fundraising Ticket Manufacturers, a trade association of companies that manufacture charitable bingo and raffle products for use by licensed organizations in Colorado. Thank you for the opportunity to provide comments on your proposed rules concerning bingo and raffle games. Overall, we are supportive of the proposed rules. We have, however, a few comments for your consideration.

1.14. “PROGRESSIVE JACKPOT (“PROGRESSIVE”) BINGO GAME” means a bingo game in which a prize amount is carried over to the subsequent game if no bingo is achieved within a specified number of balls drawn and called.¹

As written, this provision would seem to require that a progressive bingo game prize *must* be carried over to the next bingo game (“the subsequent game”), rather than to “a subsequent game or to the next bingo occasion.” This seems to conflict with the rules governing the play of progressive jackpot bingo, which require the prize to be carried over to the *next occasion*, unless the game is offered by a licensee only for its members.

3.1.6. MULTIPLE BINGO WINNERS. IF multiple bingos are announced and verified, the licensee must divide the prize for that game or game part so that each verified bingo receives the appropriate amount, regardless of the number or identity of players involved. If a prize is divided, the licensee may round up the prize amount given to any player holding a verified bingo only to the nearest dollar.

¹ Sticken words and capitalizations were removed for ease of reading.

The method described in this proposed rule for dividing prizes works for cash prizes, but how does an organization divide merchandise prizes in the event of multiple winners? Many states permit the organization to substitute equivalent-value cash prizes for any merchandise prize won by multiple players.

3.2.3. METHOD OF PLAY

(B) If the game is not won within the drawing of the previously designated number of objects or balls, the licensee must replay the game ~~be~~ OVER successive occasions at the same location using the previously designated arrangement of numbers or spaces until the game is won.

The word “be” should be stricken in the second line.

5.1.8. REMOVAL OF DEAL FROM PLAY. A licensee may not remove any deal or series of pull tab tickets or any unsold portion thereof from display and/or sale after the first ticket from the deal or series is sold unless the secretary of state or any law enforcement authority orders the removal or when there is demonstrated unavailability.

(A) A ticket or portion of a pull tab deal or series is unsalable if it was displayed and openly offered throughout the duration of at least two consecutive bingo occasions at the same location. Pull tabs at bar and clubrooms are unsalable if they were displayed and offered for sale for a two-week period without any pull tab tickets from that deal or series being sold.

This rule, even as revised, is burdensome on the licensees. Many states permit licensees to remove pull-tab games from play at any time and solely at the discretion of the licensee. This is not detrimental to the player because no licensee will remove a game from play when it is popular or in active play for fear of losing customers. However, the time frames in this proposed rule require a licensee to keep a “dead” game in play for an extraordinary long period of time. At a minimum, the time frames should be reduced substantially. Moreover, a game can be dead or “unsalable” even if a few tickets are purchased. To require a club to offer a game for a full two week period, during which time NO tickets may be sold is overly strict and burdensome and prevents the licensee from substituting a new game that may result in increased revenue.

5.4.3. Offered for Play. Once a progressive pull tab game starts at a bingo occasion, a licensee must offer the game at each succeeding bingo occasion sponsored by the licensee. If a progressive pull tab game starts on the licensee’s premises, the licensee must offer the game on each successive day that the premise is open.

We would suggest adding at the end of the first sentence the following so that the sentence reads: Once a progressive pull tab game starts at a bingo occasion, a licensee must offer the game at each succeeding bingo occasion sponsored by the licensee until the jackpot is won.

10.2.3 Accounting for Prizes and Payouts.

(d) The cost of all merchandise given as prizes in any bingo game or raffle.

Would you want to include the cost of merchandise given as prizes in any pull-tab game?

10.2.5. Availability of Records. The licensee must have available on its premises all required daily records for the current quarter and the quarter immediately preceding on forms prescribed or approved by the Secretary of State. A licensee must be able to print records maintained on a computer upon request.

For clarification, we would suggest adding to the last sentence of this provision the following so that the sentence reads: A Licensee must be able to print records maintained on a computer upon request of the Secretary of State or authorized representatives.

Otherwise, it is unclear exactly who may request the printing of the records.

15.3 Class 2 Violations

15.3.2 (C). Converting into or redeeming for cash any bingo merchandise prizes.

Please see our comment to 3.1.6 with regard to the award of prizes for multiple winners in a bingo game with a merchandise prize. There may be good reason to create an exception to this prohibition games with multiple winners of merchandise prizes.

15.3.2 (G) Reserving or setting aside bingo cards or pull tabs for use by players, or, except as authorized by these rules, reserving or allowing to be reserved any seat or playing space for use by players.

Some states allow certain bingo cards (braille) or electronic bingo aids with audio to be reserved or set aside for visually impaired players. Would this rule prohibit that practice?

Again, thank you for the opportunity to provide comments on your proposed rules. If you have any questions, please do not hesitate to contact us.

Very truly yours,

Mary B. Magnuson